



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
INSTALLATION MANAGEMENT AGENCY
2511 JEFFERSON DAVIS HIGHWAY
ARLINGTON, VA 22202-3926

CFSC-FM-M

SEP 16 2005

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Uniform Funding and Management (UFM) -- INFORMATION
MEMORANDUM

1. Reference. Section 323. UFM of Morale, Welfare, and Recreation Programs, of the "Bob Stump National Defense Authorization Act for Fiscal Year 2003," signed by the President on 2 December 2002.

2. Purpose. To provide Installation Management Agency (IMA) Resource Managers with an overview on UFM.

3. Discussion.

a. UFM is the merging of Appropriated Funds (APF) and Non-Appropriated Funds (NAF) for the purpose of providing Morale, Welfare and Recreation (MWR) services under NAF rules and procedures. Uniform funding and management does not increase or decrease funding, but is an alternative means of execution. It is designed to facilitate the procurement of property and services for MWR, and to facilitate the management of employees used to carry out the programs. Key features include.

(1) The upfront transfer of MWR appropriated funds to the garrison NAF bank accounts.

(2) No fiscal year expiration of funds transferred to the garrison NAF bank account.

(3) No forced conversions of APF employees to NAF status; voluntary conversions are allowed.

(4) No conversions of local nationals (spaces or individuals).

b. Selected Army installations were designated as Pilot Sites and have been operating under the UFM concept since 1 October 2004. The completion of this Pilot Phase will be coming to a close on 30 September 2005.

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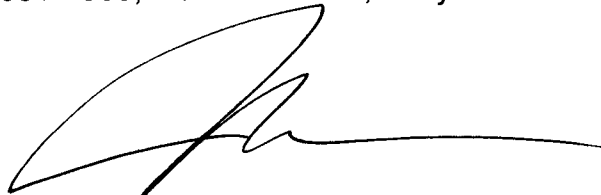
c. The next phase will begin on 1 October 2005 and will involve all garrisons in the United States and selected OCONUS Pilot Sites to operate under this concept.

d. To date, the CFSC, Financial Management Directorate has conducted UFM workshops using existing guidance with all regional headquarters to assist in preparing them for full implementation of UFM.

e. The OCONUS specific sections of the implementation guidance will be coordinated separately. It is currently being drafted by the IMA and CFSC.

4. The attached information paper is provided as an overview of the UFM process. Please share this information with your garrison resource management staff. Quarterly updates will be provided as the implementation plan is executed.

5. POC is Mr. Dennis Walsh, at 703-681-7308, DSN 761-7308, or by email at Dennis.Walsh@cfsc.army.mil.



JOHN L. MILLER
Deputy Director (Resource Management)

Encl
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INFORMATION PAPER

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1. Purpose. To provide information on UFM.
2. Goal. Provide the Installation Management Agency Resource Managers with an overview of the UFM processes.
3. Facts.
 - a. Uniform Funding and Management (UFM) is the merging of appropriated funds (APF) with nonappropriated funds (NAF) for the purpose of providing Morale, Welfare, and Recreation (MWR) services under the NAF set of rules and procedures in order to facilitate: (1) Procurement of property and services for MWR; (2) Management of employees to provide programs; and (3) Financial reporting and management.
 - b. Legislation/Authority: (NDAA FY2003 (section 323) and DODI 1015.15)"... funds appropriated to DoD and available for MWR": May be treated as NAF and expended in accordance with laws and regulations applicable to NAF. The APF shall be considered NAF for all purposes and remain available until expended.
 - c. The Army has interpreted the public law to mean: Allow for the immediate obligation, accrual, expense and disbursement of APF prior to goods or services being acquired. Allow for the transfer of APF to NAF to be based on an established Memorandum of Agreement (MOA) between the Army resource manager and the NAF Instrumentality (NAFI). The DFAS acknowledges the interpretation and is responsible for working with IMA and CFSC on detailed instructions.
 - d. Basic Steps of UFM include: Preparation of central MOA between the APF resource manager (HQ IMA) and MWR manager (CFSC) outlining the APF authorized MWR service to be performed by the NAFI location, APF requirements and funding, up-front payment schedule (transfers are planned quarterly), and purpose for which funds are to be used. The MOA also provides instructions in the event of a Continuing Resolution Authority (CRA). The MOA serves as the basis for creating the APF obligation and forwarding the money to the NAFI. The MWR management employs NAF rules and procedures in execution of the services authorized APF and funded via the MOA. The NAF Expenditures are recorded in a specially coded department. At year end, the MWR expenses authorized APF must equal or exceed the UFM income. Any expenses excess of the amount of APF will be termed APF shortfall.
 - e. Uniform funding and management does not apply to Army Lodging, Civilian Welfare Funds (i.e., Civilian MWR activities at most AMC installations and depots), Post

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Restaurant activities and Supplemental Mission activities (Museums) or other programs managed at garrison level such as Army Community Service (ACS), Army Substance Abuse program, etc. These are not defined as military MWR per DODI 1015.15.

f. Conversion of positions:

- Employee in current position must consent to conversion.
- Employee that does not consent may not be removed.
- Conversion will occur without a break in service.
- Conversion shall not entitle an employee to severance pay, back pay, or separation under Title 5.
- Conversion shall not be considered an involuntary separation or other adverse personnel action.
- Army policy states pay will be set at the same salary as the employee was making immediately before the conversion.
- APF MWR positions will convert to NAF when the position becomes vacant unless statutory return rights encumber the position.

g. Transfer of APF to NAF: (Centralized mechanism established at IMA HQs)

- The Army Banking & Investment Fund (ABIF) serves as a conduit for transferring the APF to the appropriate NAF accounts.
- The amounts and frequency are based on a signed MOA between IMA and CFSC and are subject to availability of funds. The following is a brief description of how the transfer of APF to NAF works:
 - (1) IMA HQ prepares Miscellaneous Obligation Document (MOD) DD 2406
 - (2) The Public Voucher for Purchases and Services other than Personnel SF1034 for amount of the MOD is prepared by CFSC and submitted to IMA for approval and submission to the DFAS for transfer (SF 1034 provides details for each location).
 - (3) The supporting DFAS location transfers funds to the ABIF. The ABIF transfers funds through Garrison bank accounts to Region accounts.
 - (4) The DFAS, NAF Financial Services (NFS) begins accounting for total transfer within the NAF accounting system.
- Garrisons may develop local MOAs in order to address unfinanced requirements and administer unprogrammed funds.

h. Accounting and Reporting: Uniform funding and management does not result in the increases or decreases to the Army's level of funding MWR. It is a new way of executing the MWR service. The authorizations for APF support for MWR are not

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altered as a result of implementing UFM. The DoD will continue the reporting of APF obligations in support of MWR at the current level of detail.

Under UFM, the number of MWR transactions the Government accounts for are greatly reduced. The Government's accounting transactions are completed with the periodic transfer of APF to NAF. Indirect APF support (i.e., utilities, SRM, communications) continues with no change to APF accounting and reporting procedures.

- Management Decision Packages (MDEP) and Elements of Resource (EOR) to be used: QDPC (96LJ Comm Spt); QCCS (19.25 Child Dev); QYDP (19.33 Youth); and EOR 25FC UFM Transfer.
- The dollar value of on-board GS MWR personnel and LNs paid with NAF is included in MOA.
- Automatic reimbursement process will be established to ensure employees are paid and the NAF location is appropriately billed.
- NAF Accounting: Once the transfer occurs between the ABIF into local Garrison bank accounts, the DFAS NFS will maintain details of all MWR UFM expenditures providing a clear audit trail on uses of APF supporting MWR under UFM.

i. Programming and Budgeting: The current process of CFSC briefing requirements to the Installations Infrastructure (II) PEG will remain as before. Based on guidance from the II PEG and IMA HQs, CFSC transmits the Budget Guidance to IMA Regions preparatory to Garrison targets being issued by IMA RM. The guidance includes current II PEG validated MWR requirements, initial funding targets for MWR MDEPS and limitations on use of NAF for APF authorized MWR requirements. Further actions:

- IMA Regions/Garrisons incorporate UFM guidance into the development of the annual NAF budget. The IMA Regional MWR office reviews and approves plans and forwards them to IMA HQ and CFSC for approval.
- IMA HQ and CFSC approve plans and sign MOA. Detail of MOA will include transfer schedule in the event of continuing resolution authority (CRA) controls.

j. Reimbursing the Government for GS/WG Payroll: This process will be seamless to the employee. The Government automatically bills the employing NAFI monthly.

k. Manpower Tracking: (Installation Management Employee Tracking System (IMETS)). The IMETS is a multi-tiered, web-based bridge for gathering personnel information from existing systems and databases. It supports visibility of former APF authorizations as they are converted under UFM. The IMA HQ RM will incorporate the IMETS into IMA On-Line as a sub-module. Installations manpower and Directors of

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MWR (DMWR) staffs will reconcile and update IMETS to the civilian personnel databases, NAF payroll systems, and the Garrison's Table of Distribution and Allowance (TDA). The IMA and CFSC will maintain the IMETS, which will serve as the vehicle for tracking MWR personnel and constructing future manpower affordability analyses. The IMETS is undergoing a phased-in implementation. Pilot sites will be the first to implement, then CONUS regions and overseas pilot sites, and finally the remaining overseas locations.

- Tracking: All conversions of APF personnel/positions to NAF (i.e., UFM authorized) must track to the originating APF position. Until a "special" C-Type and Remarks Code is established for Army use, manpower offices will annotate the conversion with a specific remarks code on the TDA as follows: Child Care = CW; Youth Services = AW; and Other MWR = KW.
- Proposed methodology under review by functional proponents:
 - (1) New CTYPE Code and Remarks Code developed by G3. Used to identify GS MWR positions in MDEPs QDPC, QCCS, and QYDP as they are converted to UFM NAF.
 - (2) As conversion occurs, authorizations will move from GS line to CTYPE-999 line for UFM NAF employees; both numbers (GS & CTYPE-999) would be visible within the Army system in SAMAS, CMICS, and PROBE, but only APF file would be sent to OSD.
 - (3) Update is prepared annually through the Schedule 8 process (IMA).
 - (4) IMA prepares guidance for Resource Formulation Guidance and TAADS
 - (5) G1, ABO, PA&E, CFSC and CEAC will work costing rates for UFM NAF positions.
 - (6) CFSC will continue developing standard tool for tracking status of MWR personnel through IMETS.

I. Status. Five CONUS sites are operating completely under UFM procedures (Fort Campbell, Fort Drum, White Sands Missile Range, Selfridge, and CFSC HQs). All other CONUS Installations and limited OCONUS locations will implement in October 2005.

j. Further information is available at www.ArmyUFM.com.

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Approved by COL Scott Crawford